

1 November 2011

Notice of Intention to Buy-Back Securities

NZOG (New Zealand Oil & Gas Ltd) today announces, pursuant to NZSX Listing Rule 7.6.2, the intention to buy-back up to 10 million of its fully paid ordinary shares.

The NZOG Board is of the view that the current share price is significantly below fair value and does not reflect a reasonable current valuation of the company or its prospects for further growth.

A buy-back of shares at this time is an opportunity to provide a return to shareholders in excess of NZOG's cost of capital. NZOG will continue to maintain a strong balance sheet to fund capital expenditure for on-going growth initiatives.

The Board has authorised management to undertake buy-backs in accordance with the NZSX Listing Rules, the Companies Act 1993 and NZOG's Constitution.

NZOG has 395,674,796 listed ordinary shares. The maximum number of shares to be acquired in the buy-back is 10,000,000. Purchases may occur from 7 November 2011 and may continue up until 31 October 2012.

The shares acquired will be cancelled, proportionally increasing all remaining shareholders' interests in the company and the earnings per share.

NZOG has appointed Goldman Sachs to act on its behalf in relation to the buy-back.

ENDS.